

SENATE BILL 497

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By: **Senator McFadden**

Introduced and read first time: February 3, 2010

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2010

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Retiree Death Benefits**

3 FOR the purpose of ~~repealing a certain benefit that is~~ clarifying that certain death
4 benefits are payable on behalf of certain members of the State Retirement and
5 Pension System under certain circumstances; requiring the Board of Trustees of
6 the State Retirement and Pension System to pay a certain death benefit on
7 behalf of certain retirees if the retirees die under certain circumstances;
8 requiring the Board of Trustees to make certain offsets to certain benefits under
9 certain circumstances; providing for the application of this Act; and generally
10 relating to death benefits payable on behalf of retirees of the State Retirement
11 and Pension System.

12 BY repealing and reenacting, with amendments,
13 Article – State Personnel and Pensions
14 Section 21–401
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2009 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – State Personnel and Pensions**

20 21–401.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) Subject to paragraph (2) of this subsection, instead of the basic
2 allowance provided under the State system of a member, the member may elect a
3 reduced allowance to be paid as one of the options under § 21-403 of this subtitle.

4 (2) Paragraph (1) of this subsection applies to a member of:

5 (i) the Law Enforcement Officers' Pension System or State
6 Police Retirement System only if, at retirement, the member does not have a spouse;
7 and

8 (ii) the Judges' Retirement System only if, at retirement, the
9 member does not have a spouse or child under the age of 18 years.

10 (b) To elect an optional form of allowance, a member shall:

11 (1) complete the appropriate form that the Board of Trustees provides;
12 and

13 (2) file the form with the Board of Trustees before the first allowance
14 payment normally becomes due.

15 (c) A member who has elected an optional form of allowance may change the
16 election only if the member notifies the Board of Trustees before the first allowance
17 payment normally becomes due.

18 ~~¶~~(d) If a member dies before the effective date of retirement, the Board of
19 Trustees shall pay the DEATH benefits payable UNDER TITLE 29, SUBTITLE 2, OF
20 THIS ARTICLE on the member's behalf as if the member had not elected an optional
21 form of allowance. ~~¶~~

22 ~~(D)~~ (E) (1) **THIS SUBSECTION APPLIES TO A RETIREE WHO:**

23 **(I) IS A RETIREE OF THE EMPLOYEES' RETIREMENT**
24 **SYSTEM, THE TEACHERS' RETIREMENT SYSTEM, THE CORRECTIONAL**
25 **OFFICERS' RETIREMENT SYSTEM, THE EMPLOYEES' PENSION SYSTEM, OR THE**
26 **TEACHERS' PENSION SYSTEM;**

27 **(II) DIES ON OR BEFORE ~~30 DAYS AFTER THE RETIREE'S~~**
28 **~~EFFECTIVE DATE OF RETIREMENT FROM THE STATE SYSTEM OF THE RETIREE~~**
29 **THE LAST DAY OF THE MONTH OF THE RETIREE'S EFFECTIVE DATE OF**
30 **RETIREMENT; AND**

31 **(III) AT THE TIME OF RETIREMENT, SELECTED THE BASIC**
32 **ALLOWANCE UNDER THE STATE SYSTEM OF THE RETIREE.**

1 **(2) (I) A RETIREE UNDER PARAGRAPH (1) OF THIS**
2 **SUBSECTION SHALL BE CONSIDERED AS DYING WHILE EMPLOYED AS A MEMBER**
3 **OF THE STATE SYSTEM FROM WHICH THE RETIREE RETIRED.**

4 **(II) THE BOARD OF TRUSTEES SHALL PAY THE BENEFITS**
5 **PAYABLE ON THE RETIREE’S BEHALF AS PROVIDED UNDER § 29-202, § 29-205,**
6 **OR § 29-206 OF THIS ARTICLE.**

7 **(3) THE BOARD OF TRUSTEES SHALL OFFSET ANY RETIREMENT**
8 **ALLOWANCE PAYMENTS MADE TO THE RETIREE PRIOR TO THE RETIREE’S**
9 **DEATH AGAINST ANY AMOUNTS PAYABLE UNDER § 29-202, § 29-205, OR §**
10 **29-206 OF THIS ARTICLE.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
12 construed to apply retroactively and shall be applied to and interpreted to affect the
13 surviving spouse of any retiree who retired on or after March 1, 2008, from the
14 Employees’ Pension System and died within 30 days of retiring.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.